

CHRONOLOGY OF INTERNATIONAL EVENTS AND DOCUMENTS

Supplement to **THE WORLD TODAY**

Published twice a month by the Royal Institute of International
Affairs, Chatham House, St. James's Square, London, S.W.1

Annual subscription 17s. 6d. Per copy 9d.

<i>Volume III. No. 17</i>	<i>August 25—September 7, 1947</i>
CHRONOLOGICAL SUMMARY OF EVENTS	493
THE REPORT OF THE U.N. SPECIAL COMMITTEE ON PALESTINE.	511
THE SECURITY COUNCIL	515
UNITED NATIONS MEETINGS	519
UNITED NATIONS ORGANISATIONS	521
INTERNATIONAL CONFERENCES.	521
THE COMMITTEE ON EUROPEAN ECONOMIC CO-OPERATION	524
MR. BEVIN'S SPEECH AT SOUTHPORT	526
FORTHCOMING EVENTS	528

ARGENTINA. *Sept. 3.*—The Central Bank announced that the grant of exchange permits for imports, suspended on Aug. 21 after Britain had declared the inconvertibility of sterling, would be provisionally resumed immediately. It also authorised the temporary resumption of the quotation of sterling in both the official and free markets.

AUSTRALIA. *Sept. 2.*—The Prime Minister announced reductions of all dollar imports except essential machinery and raw materials in order to reduce the gap of about \$85 million between imports from dollar areas and exports to them. The reductions were expected to result in a saving of between \$35 million and \$40 million.

Sept. 4.—The British Secretary for Commonwealth Relations told the press in Canberra that it was estimated that Australia would export to Britain not less than 50 million bushels of wheat from the 1947 harvest.

The Minister of Reconstruction, commenting on Mr. Bevin's idea of an Empire Customs Union, said he saw great difficulties in the way of such a plan, which would mean a complete revision of Australian tariff and those of the British Commonwealth.

Sept. 5.—The Government announced that they had sold to Britain 150,000 oz. of gold (about £A1,575,000 in value) to help overcome the dollar crisis.

BRAZIL. *Sept. 1.*—The President of the U.S.A. arrived in Rio de Janeiro.

Sept. 2.—President Truman, addressing the inter-American defence conference at Petropolis, said that the U.S.A. had engaged in the recent war in the deep faith that they were opening the way to free the world, but found now that a number of nations were still subjected to the type of foreign domination which they had fought to overcome. He pointed out that no agreement had been reached among the allies on the main outlines of a peace settlement and the U.S. Government were obliged to contemplate the prolonged military occupation of enemy territories which was profoundly distasteful to their people.

He went on "Almost everywhere in Europe economic recovery has lagged. Great urban and industrial areas have been left in a state of dependence on our economy which is as painful to us as it is to them. Much of this economic distress is due to the paralysis of political fear and uncertainty in addition to the devastation caused by the war." Referring to the Marshall offer, he said that unquestionably it was in the interest of the U.S.A., and of the western hemisphere in general, to be prepared within safe limits to do all they could for European recovery. Their own troubles were small in contrast with the struggle for life itself which engrossed the peoples of Europe.

Pledging U.S. fidelity to the United Nations, he said that the U.S.A. recognised that the United Nations had been subjected to a strain which it was never designed to bear. Its rôle was to maintain peace and not to make peace, but it had been embroiled in its infancy in almost continuous conflict. The world should be careful not to prejudge it by this unfair test. He declared that the U.S.A. would not forget its obligations under the Charter, nor permit others to forget theirs. The country's aversion to violence should not be misread as a lack of determination on its part to live up to these obligations: its military strength would be retained as evidence of the seriousness with which they were viewed.

Mr. Truman stressed the collective importance of the American nations in the affairs of a distressed world: their economies were intact, their productive powers undiminished, and their resources not yet fully explored. The western hemisphere needed a long term of economic collaboration, and the U.S. Government would approach this problem with increased vigour in the coming period. He appealed to these nations to stand with the U.S.A. for world peace and a peace of free men. United, they could "constitute the greatest single force in the world for the good of humanity". He declared: "The Old World is exhausted, its civilisation imperilled. Its people are confused and filled with fears for the future. Their hope must lie in this New World of ours."

The treaty of mutual defence, drafted at the inter-American defence conference at Petropolis, was signed in Rio de Janeiro by all members of the Pan-American Union, with the exception of Ecuador and Nicaragua. (Nicaragua was not invited because its new régime had not been recognised by the majority of the Latin-American countries. The delegate from Ecuador lost his credentials during the conference owing to a revolution at home.)

BUL
ratifi
An
Agra
and
Bulg
must
gatio
and

An
been
An
death

BUL
with
after
air fo
defer
assis
Se
arriv

CAN
enter
34,00
Sa

refer
her m
credi
cover
coun
havin
by w
her o
a sca
but i
end
advan
requ
all h
early
was
to las
price
dolla
Sp
durin
the e

BULGARIA. *Aug. 25.*—The National Assembly unanimously ratified the peace treaty.

Aug. 26.—The National Assembly passed a Bill dissolving the Agrarian Party on the ground that it had committed "terrorist, sabotage, and diversionary acts" aimed at provoking the foreign occupation of Bulgaria. The Bill stipulated that property, papers, etc., of the party must be handed over to the Government within 7 days of the promulgation of the law, under maximum penalties of 10 years' imprisonment and a fine of one million leva (£1,000).

Aug. 28.—It was reported that 3 members of the Agrarian Party had been sentenced to life imprisonment for espionage.

Aug. 29.—M. Petkov, the Opposition leader, who was sentenced to death for treason, submitted an appeal to the Supreme Court.

BURMA. *Aug. 29.*—The Government signed a defence agreement with Britain under which the British Government agreed to provide, after the transfer of power to Burma, a combined naval, military, and air force mission with advisers and instructors to serve with Burmese defence forces until they were able to do without such advice and assistance.

Sept. 1.—The British good-will mission, headed by Lord Listowel, arrived in Rangoon.

CANADA. *Aug. 28.*—It was learned that some 21,000 immigrants had entered the country in the first half of 1947, as compared with about 34,000 for the same period in the previous year.

Sept. 2.—The Minister of Finance in a statement to the press, referred to the arrangement under which Britain paid for one half of her net balance of Canadian purchases while receiving the other half on credit and said it was by no means easy for Canada to extend credit to cover as much as 50 per cent of the new British requirements in the country. The entire economic development of Canada was based on having a surplus of exports to Europe for which Europe paid in cash and by which means Canada obtained enough foreign exchange to pay for her own purchases from the U.S.A. The loan to Britain was made on a scale feasible only on the assumption that it would be used gradually, but it had been used far more quickly than had been intended. By the end of 1946 advances on the loan were \$540 million compared with advances from the U.S. loan of \$600 million. Early this year British requirements had increased, and had Britain drawn fully on the loan for all her requirements the credit would have been fully exhausted by early autumn, contrary to the desires of both countries. He thought it was important that it should be realised that the loan was being made to last longer because of the Canadian policy of selling at less than world prices which resulted in the saving of several hundreds of million dollars.

Speaking on the trade between the two countries, he pointed out that during the past two years Britain had not shipped to Canada goods of the sort that Canada normally would have expected to buy for her

consumer and industrial needs. Not only did this increase Britain's deficit in trading with Canada but it also increased Canadian trade with the U.S.A.

CZECHOSLOVAKIA. *Sept. 5.*—The Government concluded a trade agreement with Rumania under which they would export machines and material for industrial reconstruction in exchange for Rumanian farm produce.

DENMARK. *Aug. 27.*—A conference opened in Copenhagen of the Foreign Ministers of Sweden, Norway, Iceland, and Denmark to discuss problems to be considered at the U.N. General Assembly in September, the attitude of their countries to the International Trade Organisation conference to be held in November, and the possibility of forming a Nordic Customs union.

Aug. 28.—The Ministers discussed the question of a west European Customs union and agreed that the problem was too difficult to be solved at the Paris conference but should be dealt with within the framework of the United Nations. They decided to ask their Governments to appoint experts to investigate the possibilities of extending economic co-operation between their countries. The conference then ended.

ECUADOR. *Aug. 31.*—A revolt broke out in Rio Bamba.

Sept. 1.—Mechanised forces of the Army and the garrison of Guayaquil, the Civil Guard, and two military bases joined in the revolt.

The Government proclaimed a state of siege throughout the country, imposed a censorship, and suspended all communications.

Sept. 2.—The President, Col. Mancheno, who had assumed power on Aug. 24, was overthrown.

Sept. 3.—The Vice President, Señor Mariano Suarez Veintimilla took over the presidency temporarily until the return of the former President, Dr. Velasco Ibarra.

EIRE. *Sept. 3.*—The Government signed a trade agreement with Spain providing for the supply of seed potatoes by Eire and potash by Spain. It was agreed that payments should be made in sterling.

Sept. 4.—Talks with Britain on the dollar crisis. (*see Great Britain.*)

FRANCE. *Aug. 25.*—Gen. de Gaulle announced that his group would contest the municipal elections in October. Electoral lists would be presented throughout France and would consist not of the members of any one political party but of "men and women of different beliefs who have become companions in the task of public salvation".

Aug. 27.—In reply to the British request that they should receive by train from Germany the Jewish immigrants at present on their way to Hamburg, the Government stated that the immigrants would be welcomed on 3 conditions: (1) that they come voluntarily; (2) that the present case should not constitute a precedent for the receipt by France of other displaced persons from Germany; and (3) that the numbers

that came must not lead to the figure of 8,000 Jews, the present limit by agreement of the total number of Jews in transit through France, being exceeded.

Field-Marshal Montgomery arrived in Paris on a visit.

The Assembly passed the Bill on the Statute for Algeria by 322 votes to 192 with 186 (mostly Communist) abstentions.

The Council of Ministers decided that as from Sept. 1 the daily bread ration would be reduced from 250 to 200 grammes.

Aug. 28.—The Prime Minister told the press that the proposed reduction in the bread ration would save about 6 million quintals of wheat but this would not cover the prospective deficit. Commenting on the request to the U.S.A. for 30 million quintals of wheat, he said there was no chance of obtaining this amount. He announced that bakeries throughout the country would be closed 3 days per week, and in Paris and the larger towns there would be compulsory registration of customers.

The Ministry of National Economy announced that all imports from the U.S.A. other than coal, fuel oil, fats, edible oils, and grain would be stopped temporarily since only \$250 million was available for imports from the dollar area instead of \$450 million as foreseen in the import plan drawn up for the second half of 1937.

Aug. 29.—The Minister for National Economy, commenting on the decision to stop imports other than certain essentials from the dollar area, said that the dollar shortage had been apparent for some time and three factors had aggravated the situation: (1) the failure to secure, as reparations, \$80 million worth of gold from Germany; (2) the announcement by Britain of the non-convertibility of sterling, which had deprived France of the possibility of \$60 million; and (3) exports to the dollar area, planned initially at \$20 million a month had, largely owing to high prices, fallen off during July to \$13 million and could not be counted on in future months to produce more than \$10 million monthly.

At a press conference later, the Minister announced the Government's policy for industrial prices, which were to be raised by 5 per cent to enable industries to meet the recent increase of 11 per cent in salaries. The increase would not, however, be uniform or general, some products being excluded and the price of others being raised by 3 per cent.

It was learned that 10,000 workers at the Peugeot factory near Belfort were on strike for higher wages. Railway workers at Rouen demonstrated against the cut in the bread ration and the cost of living.

Sept. 1.—The National Assembly agreed by 356 votes to 48, the Communists abstaining, that gold valued at 12 milliard francs should be transferred from the Bank of France to the nation's foreign exchange stabilisation fund to be used for essential imports from dollar countries during the second half of 1947. It was stated during the debate that the transfer would reduce the country's gold stock to 392 tons, compared with 483 tons at the end of 1946, and 968 tons at the end of 1945.

The C.G.T. called a one-day general strike in Rouen as a protest against the cut in the bread ration and the "general insufficiency of

rations". The strikers demanded an 11 per cent wage increase. In Lyons about 10,000 workers staged a one-day strike as a protest against the cut in the bread ration. In Clermont Ferrand some 10,000 employees of the Michelin factory went on strike for one day.

Sept. 2.—The frontier with Spain was opened for travellers in transit only.

The Assembly passed by 292 votes to 243 with 54 abstentions the Bill for a 4,550,000,000 franc subsidy to keep down the price of coal. The vote was made one of confidence.

In Paris a large meeting was held, supported by the C.G.T. and the Christian trade unions, to protest against the inadequate food supplies.

Sept. 6.—Some twelve persons, including Rabbi Baruch D. Korff, co-chairman of the American Political Action Committee for Palestine, were arrested at an aerodrome near Paris. It was stated that they were about to take off on a leaflet raid on London. Some 10,000 leaflets were found, signed by the "Fighters for the Freedom of Israel" who declared that the leaflets were "a warning to the British people" and said the leaders would "carry the war to the very heart of the British Empire".

GERMANY. *Aug. 28.*—In Berlin some 10,000 employees of the Siemens works demonstrated in protest against existing rations.

At Aachen, railway workers passed a resolution declaring they were "at the end of their strength and patience" and rejecting the introduction of the points system for extra food, describing it as "worse than the worst form of piece-work". It was learned that building trade workers in the Rhine-Wupper area and at Leverkusen were on strike for increased rations.

Statement issued after the three-Power talks on the level of industry in the combined U.S.-British zones. (*see International Conferences.*)

Aug. 29.—The revised plan for the level of industry in the U.S.-British zones was published in Berlin. It stated that under the plan made in March, 1946, neither the bizonal area nor Germany as a whole could regain economic health, and Germany could not contribute her indispensable part to the economic rehabilitation of Europe. The revised plan had been so devised that it could be assimilated with a plan for Germany as a whole.

The plan aimed at retaining a sufficient capacity in the area to bring the level of industry to that of 1936, as compared with 70-75 per cent of 1936 production permitted under the 1946 plan. The area already had a population of at least 6 million more than in 1936 and the figure was expected to rise further. On the basis of an expected population of 42 to 44 million in 1952 the *per capita* figure of production in the new plan would be roughly 75 per cent of that in 1936. The overriding requirement was to provide the level of industry necessary to make the area self-supporting.

The statement set out the new levels of the restricted industries, beginning with steel, for which the plan provided for an annual production of 10,700,000 tons, and it was hoped this level would be reached in 3 years. The percentage increases in bizonal levels for re-

stricted industries under the new plan as compared with the 1946 plan were given as: Steel ingot production, 135. Copper consumption, 169. Mechanical engineering: heavy machinery, 52; light machinery, 24; machine tools, 224. Automobiles and tractors: passenger cars, 300; commercial vehicles, 62; agriculture and road tractors, 56. Fine mechanics and optics, 66. Electrical engineering, 40. Chemicals, 42.

The British Military Commander, in a statement on the plan, said that the fact that the 1946 plan had for some time been regarded as obsolete had produced a most unfortunate atmosphere of uncertainty in Germany which had had the most adverse effect on the revival of the economy of the bizonal area. It was intended that the new plan should be carried out firmly.

Aug. 31.—At a meeting of the Allied Control Council, the Soviet member declared that Britain and the U.S.A., by their plan to raise the German industrial level in their combined zones, were breaking the Potsdam agreement. He said that the British and U.S. Commanders had been working for the division of Germany and under their scheme German industry would be torn from German hands in the interest of certain foreign monopolies. The U.S. Commander stated that "U.S. representatives have worked for two and a half years for German economic unity, and I refuse to permit the U.S. zone to become an economic quagmire, unable to sustain itself or contribute to European recovery". He repeated the U.S.-British invitation to the U.S.S.R. and France to join in an overall plan for German industry. The French Commander protested against the raising of the price of Ruhr coal exports and asked for another examination of the question as the new prices would be higher for coal-importing countries than the cost of their native coal.

Sept. 3.—Fourteen Gestapo and S.S. men were sentenced to death in Hamburg for the murder of R.A.F. and Allied Air Force officers after the mass escape from Stalag Luft III, in Silesia, in March, 1944. Two others were sentenced to life imprisonment.

GREAT BRITAIN. *Aug. 25.*—Further withdrawal from U.S. loan. (*see U.S.A.*)

Aug. 27.—The Government announced further cuts to narrow the gap between foreign expenditure and the nation's earnings. From Sept. 7, the meat ration would be reduced from 1s. 2d. to 1s., and from Sept. 14, supplies of foodstuffs to restaurants would be reduced by 15 to 18 per cent. The import of certain luxury foods would be prohibited. The foreign travel allowance for pleasure travel outside the sterling area, previously reduced as from Oct. 1 to £35, would be wholly suspended as from that date and only the reduced amount would be available during September. The basic petrol ration would be abolished as from Oct. 1.

Aug. 31.—The Minister of Food announced that, for the time being, the Government had stopped food purchases from the U.S.A.

Sept. 1.—Musa Bey Alami, Director General of the Arab Office issued a statement in London declaring both the solutions put forward by the U.N. Committee on Palestine were unacceptable to the Arabs and would be rejected and opposed by them. Speaking of the majority

plan, he said that partition was not practicable; the country was too small for two viable States, and no clear-cut line of demarcation could be drawn which would not leave large minorities on either side, thus aggravating the tension between Arabs and Jews. The minority plan was opposed mainly on the ground that it envisaged a period of three years during which Jewish immigration was to continue regulated by a mixed commission. On the crucial issue of immigration, the two parties were diametrically opposed, and no amount of constitutional jugglery could make the Arabs agree to immigration or the Jews renounce it, or could prevent a continuous deadlock on this issue in a bi-national State based on parity, and a consequent breakdown of government.

The statement concluded: "The Arabs have abundantly warned the world that any attempt to impose partition on Palestine would be resisted by them with all the means in their power. Let there be no doubt whatever that they would do so, and that partition would therefore plunge the Middle East in a state of war . . . The fact that a war in the Middle East might precipitate an international conflict of uncalculable dimensions would almost seem to suggest that those who are pressing for partition in Palestine would not be averse to the outbreak of another war."

Sept. 2.—The Commonwealth Relations Office announced that the Government had proposed to the other Commonwealth Governments in the sterling area that discussions on the general financial position should take place in London as soon as possible, and that the Governments of Australia and New Zealand had already agreed to this proposal.

The U.S. Congress Select Committee on Foreign Aid, with their chairman, Mr. Christian Herter, arrived in London to begin their investigations into the economic conditions of Britain and western Europe. They were later received by the Minister of Food and the President of the Board of Trade.

Sept. 3.—The Government sent a further Note to the U.S.S.R. on the death sentence passed on M. Petkov. They supported the U.S. proposal that the three countries should immediately consult together and regretted that the Soviet Government had hitherto been unwilling to co-operate to prevent actions by the Bulgarian Government such as the imposition of the death sentence on M. Petkov and the suppression of his party. This party had obtained 30 per cent of votes cast in the 1946 elections, and its suppression clearly showed that political freedom was being destroyed in Bulgaria.

Sept. 4.—The text of letters exchanged between the Chancellor of the Exchequer and the Secretary of the U.S. Treasury, dated Aug. 20, on the restriction of sterling convertibility was issued as a White Paper (Cmd. 7210).

Mr. Bevin received the U.S. Congress Select Committee on Foreign Aid.

The Treasury began talks with the Eireann Secretary to the Department of Finance on the dollar crisis.

Sept. 5.—The Government sent a Note to the U.S.S.R. on the recent talks with the U.S.A. and France on the level of German industry. They stated that there was no question of a formal three-Power conference on the whole of Germany. Anglo-American views on certain aspects of bi-zonal administration were explained to the French. They pointed out that agreement on such questions as the establishment of a level of industry for the whole of Germany depended on the attainment of the economic unity of Germany, which it was hoped would be achieved by the Council of Foreign Ministers in November.

The Colonial Office announced that final steps had been taken to give effect to the letters patent restoring responsible government to Malta.

Purchase of gold from Australia. (*see Australia.*)

Sept. 6.—Arrest near Paris of persons said to be about to take part in a leaflet raid on London. (*see France.*)

Note from the U.S.S.R. on the work of the U.N. Atomic Energy Commission. (*see U.S.S.R.*)

GREECE. *Aug. 29.*—M. Tsaldaris formed a Government consisting of 9 members of the Populist party and one Royalist Independent. Gen. Zervas, leader of the National Party, announced he would support the new Government. M. Tsaldaris told the press that his Government was provisional and the door was open for other parties to join it.

Sept. 3.—The Government issued a decree of civil mobilization allowing the dismissal or imprisonment of Civil servants going on strike. (A strike of Civil servants as a protest against the rise in the cost of living had been planned for the following day.)

Reports reaching Athens described heavy fighting around Florina and Naoussa in western Macedonia, and on Mt. Kaimaktsalan. The Northern Greece Army Command stated that they had intercepted a strong rebel band moving south from the Tzoumerka mountain ranges in Epirus.

Sept. 6.—The Government resigned.

Sept. 7.—M. Sophoulis formed a Coalition Government of Liberals and Populists with himself as Prime Minister and M. Tsaldaris as vice-Premier and Foreign Minister. Other Ministers were: Populists, M. Stratos, the War Office; and M. Helmis, Finance; Liberals, M. Rentis, Public Order; and M. Ladas, Justice. The minor Ministries were shared, roughly on an equal basis, between the two parties.

The Army claimed successes in the mountainous regions of Vermion, Kaimaktsalan, and Vitsi, and stated they had repulsed an attack by a large rebel band on a village near Drama in eastern Macedonia. It was announced that rebel casualties during August in III Army Corps area were 230 dead and 300 prisoners.

HUNGARY. *Aug. 25.*—M. Pfeiffer, the Opposition leader, was attacked by Communists while holding an election meeting at Csongrad and received slight head injuries. The Communists stated that his party had broken the electoral law by covering Communist posters with their own.

Aug. 29.—M. André Misteth, the former Minister of Reconstruction, and a member of the Smallholders' Party, was sentenced to $3\frac{1}{2}$ years' imprisonment with hard labour on charges of "conspiracy to overthrow the democratic régime".

The chairman of the Smallholders' Party, commenting on the number of persons excluded from the voting list for the election, said that about 13 per cent of the Budapest electorate had lost the vote.

Aug. 31.—The general election was held, over 90 per cent of the total electorate voting. The results, expressed as a percentage of total votes cast, were:—

Coalition Parties: Communists, 22 per cent (17 per cent in 1945); Socialists, 14.6 per cent (17.4 per cent in 1945); Smallholders, 15.1 per cent (57 per cent in 1945); National Peasants, 9 per cent (6 per cent in 1945).

Opposition Parties: People's Democratic Party, led by M. Barankovics, 16 per cent; Independent Democratic Party, led by M. Pfeiffer, 14 per cent; Father Balogh's Party, 5 per cent.

Sept. 1.—The Minister of Justice, M. Riesz, a Social Democrat, offered his resignation on the ground that his instructions for the elections were interfered with by the Minister of the Interior, M. Rajk, a Communist. Other Social Democrat Ministers refused to attend their offices as a protest against the irregularities in the election.

The Ministry of the Interior estimated the number of persons with false papers who had voted in the election at 20,000.

Sept. 4.—In accordance with constitutional procedure the Government presented their resignation to the President. He asked them to continue in office for the time being.

Sept. 6.—M. Rakosi, the Communist leader, outlined the Communist programme for the new Government at a meeting of his Party. He demanded the nationalisation of the Hungarian National Bank, and also the big private banks by Oct. 31, and severe measures for fixing the maximum earnings of any person at 3,000 forints a month and confiscating the property of "traitors" and émigrés. The number of Ministers should be reduced from 18 to 12, and under-secretaries by 50 per cent. Foreign embassies and missions abroad, and high expenses should be cut, and the managerial boards of State and private industries should be made smaller. He outlined a policy to create a national food reserve and for the standardisation of consumer goods, and recommended the setting up of special worker's courts to try black marketeers.

INDIA. *Aug. 25.*—Disturbances in the areas of Amritsar, Jullundur and Hoshiarpur continued, with the burning of villages and much loss of life. Large numbers of Hindus and Sikhs arrived in East Punjab from the Multan and neighbouring districts, while the roads leading westward to West Punjab were described as clogged with Muslims trying to reach Lahore.

The Sikh leader, Tara Singh, told the press in Amritsar that he hoped there would one day be a return of Sikh rule in the Punjab, for which the Sikhs had the same feeling as the Jews had for Palestine. He accused the Boundary Force of being pro-Muslim.

Neutral estimates of the number of Muslims murdered or burnt to death in the Amritsar district alone since Aug. 1 gave this as 10,000. Three battalions, with tank support had rounded up many Sikh raiding parties, but were not able to deal with more than a small proportion of them. Members of the former "National Army" who numbered some 10,000 in East Punjab, were reported to be taking an active part in the attacks on Muslims.

A curfew was imposed in Delhi owing to 2 Muslims being killed in the city and to the presence of large numbers of Hindu and Sikh refugees from West Punjab and the nervousness of the Muslim population.

Aug. 26.—The rulers of seven Deccan States agreed to form a united Deccan State and join the Indian Union. The State would have a single executive, Legislature, and Judiciary, and a Customs union would be formed.

Aug. 28.—Pandit Nehru told the press in Delhi that the killings in the Punjab had been on a "very big scale", and what was happening was "a competition in retaliation". He said the Pakistan Government had been unco-operative in dealing with the situation, and the situation in West Punjab was less under control than in East Punjab.

Aug. 30.—Sardar Balder Singh, the Defence Minister, and Sardar Abdur Rab Nishtar, Pakistan Communications Minister, who were touring the East and West Punjab together, visited Sialkot.

Sept. 1.—Communal rioting in Calcutta led to 29 persons being killed. Mr. Gandhi began a fast in an endeavour to stop the riots.

Sept. 2.—Further rioting in Calcutta led to 13 deaths. Seven persons were killed in communal incidents in Bombay. A 35-hour curfew was imposed.

Sept. 3.—Rioting continued in Calcutta and 5 persons were killed.

Sept. 4.—Mr. Gandhi broke his fast following improvement in the situation in Calcutta.

An armed mob attacked a train at Sikandarpur about 40 miles from Delhi and killed 20 persons.

Following stabbing incidents in Delhi a 19-hour curfew was imposed on 3 areas of the city.

Sept. 5.—Communal disturbances continued in Delhi. A large crowd tried to force its way into the Maharajah's palace in Mysore city and were pushed back by police and troops who opened fire. Communal disturbances also occurred in Bangalore.

Sept. 7.—Mr. Gandhi left Calcutta for Delhi on his way to the Punjab.

Rioting continued in Delhi and 9 persons were killed. A curfew was imposed on the whole city. The C.-in-C. of the Indian Army and the Home Minister both issued instructions to the troops and police to spare no efforts to put down lawlessness. Reports stated that refugees were entering Delhi from the West Punjab at the rate of between 600 and 1,000 a day. Figures based on reports from district commissioners showed that over one million people were on the move in East Punjab, either leaving the province or finding new homes in it.

IRAQ. *Sept. 4.*—It was learned that the Prime Minister had called a conference of Arab States to discuss the report of the U.N. Committee on Palestine, and acceptances had been received from all States except Egypt.

ITALY. *Sept. 3.*—The Government signed an agreement with the U.S.A. concerning the withdrawal of U.S. troops from Italy.

JAPAN. *Sept. 1.*—Gen. MacArthur, in a statement issued to commemorate the second anniversary of the Japanese surrender, said that the peace treaty should be approached "in the same tolerant and just atmosphere that marked the occupation". This would ensure that the country had an opportunity to become self-sustaining rather than reduced to the condition of mendicancy. Japan should not become a burden upon the economy of any other country and there was no need for concern over fears of an economic collapse. The economic prostration of Japan was complete at the beginning of the occupation and her economy had since been gradually restored.

He said that if Japan were given a just opportunity to live in freedom and peace with her neighbours, there would be no threat to the survival of the democratic processes begun during the occupation. There was now in Japan a minimum of fear and unrest and the people were diligently endeavouring to expiate the breach of peace for which their nation stood condemned, to overcome poverty, and to become a trusted member in the family of nations.

THE NETHERLANDS. *Aug. 29.*—The Government stated that, although maintaining the viewpoint that the Security Council was not a competent authority to deal with the Indonesian dispute, they would grant Consular officials of the different countries in Batavia every facility to draw up reports on the situation.

Sept. 1.—The Government nominated Belgium for the three-nation commission suggested by the Security Council to settle the Indonesian dispute.

Sept. 4.—The Government informed the Secretary-General of the United Nations of their decision to co-operate in implementing the Security Council's resolutions on the Indonesian dispute and to give the Consuls in Batavia every facility for preparing their report. They stated that their acceptance of the "tendency" of the Council's resolutions was without prejudice to the Netherlands opinion that the Council had no competence in the matter, and was based on the premise that the Indonesian Republic would cease all hostile action in word and deed.

PAKISTAN. *Aug. 27.*—Shaikhpora, in West Punjab was attacked by Muslim bands and nearly all the Hindu and Sikh population killed or wounded. Muslim refugees from East Punjab were estimated to number over 250,000.

Pakistan elected to full membership of the F.A.O. (*see United Nations Meetings.*)

Aug. 28.—Mr. Jinnah visited Lahore.

Aug. 29.—The Joint Defence Council, presided over by the Governor-General of India, met in Lahore, and decided that the Punjab boundary force should be abolished as from Sept. 1 since the task of the force had grown "out of all proportion to its responsibilities". Responsibility for maintaining peace and order on either side of the boundary was taken over by the armies and civil administration of the two Governments who would each set up headquarters in Lahore to control their respective territories at present forming part of the Boundary Force area. The Council decided on new measures against armed bands, including the greater use of military aircraft.

Aug. 31.—Mr. Jinnah, broadcasting from Lahore, described the boundary award as "unjust, incomprehensible, and even perverse", and said it was a political and not a judicial award. But Muslims had agreed to abide by it and would do so. He appealed to everyone to help in restoring peace and in building up the new State.

Sept. 1.—The Prime Minister and Pandit Nehru, Prime Minister of India together began a tour of the East and West Punjab.

Sept. 4.—The Prime Minister and the Prime Minister of India held a conference in Lahore to decide on measure to deal with the situation in the Punjab.

Heavy fighting occurred in Kohat, North-West Frontier Province, when raiders attacked a troop train, killing 22 men. 40 raiders were killed. Communal disorders north of Mardan led to 17 deaths.

Stabbing and shooting incidents occurred in Karachi and a 10-hour curfew was imposed.

Sept. 7.—The curfew was lifted in Karachi. Communal disturbances were reported from the Nawabshah district of Sind Province.

PALESTINE. *Aug. 31.*—Report of the U.N. Special Committee. (see page 511.)

Statement on the report by the Director-General of the Arab Office in London. (see *Great Britain*.)

Sept. 2.—Mrs. Meyerson for the Jewish Agency, speaking to the press on the U.N. Committee's report expressed appreciation of the sense of urgency shown by the committee. She said Jews everywhere must feel sorrow the partition of Palestine was again proposed. They felt also that Jewish Jerusalem, excluding the Old City and the holy places, should be part of the Jewish State. The Jewish State would be without hills and therefore the exclusion of western Galilee was a loss. It was hoped that this would be rectified. It had always been hoped the State would have a border with the Lebanon. She did not agree with the committee's view that Palestine could not solve the whole of the Jewish problem. Referring to the minority report, she said that the Jews were especially disappointed with the Yugoslav attitude. She hoped the General Assembly would define more clearly the duration of the transition period, which should be as short as possible. The Agency was a little afraid of the stipulation, made in reference to immigration, "should the transitional period continue more than two years".

The committee had realised that there must be a larger volume of immigration and the British Government should not wait for the implementation of the report before acting on this. Mrs. Meyerson appealed to the Arabs for friendship and co-operation, but said that the proposed economic co-operation should be freely entered into after the States had been formed, and not stipulated as a prior condition.

M. Emile Ghoury, on behalf of the Arab Higher Executive, told the press that the majority report was an injustice to Palestine and an echo of Zionist influence. The Palestine Arabs rejected each and all of the majority recommendations; should the United Nations accept them and Britain agree, the Palestine Arabs would resist with all the means at their disposal and with the assistance of the Arab States.

The Stern Gang, commenting on the report of the U.N. Committee, called on all Jews "to prepare for a prolonged war against the British".

Sept. 3.—The Zionist General Council, meeting in Geneva, passed by 61 votes to 16 a resolution giving conditional approval to the majority report of the U.N. Committee while condemning the minority plan as wholly unacceptable.

Sept. 4.—Conferences of Arab States to discuss the report of the U.N. Committee. (*see Iraq.*)

PERSIA. *Aug. 27.*—The Government resigned in accordance with constitutional requirements.

Aug. 28.—Note from the U.S.S.R. on the setting up of a Soviet-Persian Oil Company. (*see U.S.S.R.*)

Aug. 30.—The Majlis re-nominated M. Qawam-es-Sultani to be Prime Minister by 78 votes to 38. He refused the office because the deputies from Azerbaijan had voted against him.

Sept. 4.—M. Qawam-es-Sultani agreed to form a Government.

POLAND. *Aug. 29.*—Trade agreement with the U.S.S.R. (*see U.S.S.R.*)

PORTUGAL. *Aug. 28.*—The Minister of Finance stated that the country's finances in 1946 showed a credit of 56,800,000 escudos (£568,000). He said financial equilibrium had been maintained since 1928.

RUMANIA. *Sept. 5.*—Trade agreement with Czechoslovakia. (*see Czechoslovakia.*)

SPAIN. *Sept. 2.*—Reopening of the frontier with France. (*see France.*)

Sept. 3.—Trade agreement with Eire. (*see Eire.*)

The Cabinet approved a draft law re-establishing titles of nobility. Under the law the Carlist titles of nobility might also be restored in recognition of prominent services to "the cause of unity of Spain".

SWEDEN. *Aug. 29.*—The Government announced that, owing to the prolonged summer drought which had created a shortage of hydro-electric power, electricity would be rationed.

Sept. 4.—The head of a trade delegation which had just returned

from the U.S.S.R. gave the value of Soviet exports to Sweden during the first half of 1947 as 39 million kronor against Swedish deliveries to the U.S.S.R. amounting to 4 million kronor, thus creating a Soviet export surplus of 35 million kronor. It was officially stated, however, that nearly 17 million kronor of this surplus represented Swedish imports from the Soviet zone of Germany.

TURKEY. *Aug. 25.*—The Government announced a long term plan, costing the equivalent of £125 million, for the agricultural and industrial rehabilitation of the country.

Sept. 1.—The Grand National Assembly unanimously ratified the agreement with the U.S.A. on U.S. aid to Turkey.

Sept. 4.—The Ministers of National Defence, the Interior, Agriculture, Labour, Economy, and Commerce resigned.

Sept. 7.—Appointments were made to the offices of the six Ministers who had resigned. The new Ministers were: M. Munir Birsal, National Defence; M. Munir Gole, the Interior; M. Javit Ekih, Economy; M. Shevket Adala, Agriculture; M. Tahsin Balta, Labour. The portfolio of Commerce was offered to M. Nurullah Sumer who was representing Turkey abroad.

U.S.A. *Aug. 25.*—The Treasury announced that Britain had withdrawn a further \$150 million of her loan.

Aug. 26.—The Department of Agriculture published a report on the world grain situation. On July 1, the beginning of the crop year, the 4 main producing countries, the U.S.A., Canada, Argentina, and Australia, had between them only 379 million bushels of wheat, the smallest carry-over since 1938. Although wheat reserves had declined, total grain stocks had risen during the year, and total world reserves of all grains were estimated at 49,365,000 tons — an increase of nearly 20 per cent, mostly accounted for by last year's record maize crop in the U.S.A. World reserves of other grains were reported as: Rye, 18 million bushels (slightly higher than last year); barley, 143 million bushels (10 per cent higher than last year); and oats, 413 million bushels (slightly lower than last year).

Aug. 27.—The Acting Secretary of State, Mr. Lovett, said that the concern of the U.S.A. was that the Paris conference on European reconstruction should produce a programme that "would be reasonable but realistic, and involve diminishing amounts of assistance. The U.S.A. would like proof that each successive year would cost less.

The Secretary of the Treasury told the press that he considered Britain's economic situation to be serious, but stated he has confidence in the energy with which that nation had approached its problems and thought a solution would be found. The freezing of the last \$400 million of the British loan would continue while arrangements were being made for examining all demands for dollars for current transactions. When this had been done and Britain had been able to re-establish the fullest possible convertibility, there would be further discussions on the balance.

It had been and continued to be the desire of the U.S.A. that the loan should be used to aid Britain to get back on her feet. He denied that there had been any informal agreement with Britain to suspend the non-discrimination clause in the loan. He said that during recent talks he had asked the British delegate whether Britain wished to change this clause and had received the reply that she did not. In any case no question of discrimination arose with the present markets: the rest of the world had so little to offer. The "room to operate" referred to by the British delegate had been sufficient to make the dollar drain due to this clause alone a minor problem.

Aug. 29.—The Government sent a Note to the U.S.S.R., saying that the report of their delegation in Korea had made it clear that the joint U.S.-Soviet commission had been unable to agree regarding the basis on which representatives of the democratic Korean parties should be consulted by the commission. The Note stated that the Government had for almost two years devoted their utmost efforts to carrying out the terms of the Moscow agreement on Korea and could no longer be a party to any such delay in fulfilment of their commitment to Korean independence. They were therefore returning the negotiations to the Pacific Big Four Powers.

The Government issued invitations to Britain, the U.S.S.R., and China to a conference on proposals for the future of Korea to be held in Washington on Sept. 8.

Soviet reply to the Government's invitation to a conference on the peace treaty with Japan. (*see U.S.S.R.*)

Aug. 31.—The President left for Rio de Janeiro.

Sept. 1.—The Government sent a Note to the U.S.S.R. on the recent three-Power talks on the level of German industry. They pointed out that they agreed that decisions relating to Germany as a whole should only be taken with the agreement of all four Powers but said that "for over two years the U.S. Government has sought persistently to reach agreement on matters affecting Germany as a whole and to implement the provisions of the Potsdam agreement, which states that Germany should be treated as a single economic unit". The level of industry adopted in March, 1946, was based on the assumption that Germany would be so treated, but after the meeting of the Council of Foreign Ministers this year, "when it became clear that there was no prospect of early achievement of this objective, it became necessary to adjust the level of industry in the U.S. and British zones". The main objectives of the Potsdam agreement—elimination of German war potential and the development of Germany's agriculture and peaceful industries—had been observed in the new agreement. The Note concluded: "The failure of the Soviet Government to implement the Potsdam agreement has placed a heavy financial burden on the U.S.A., and the U.S. Government is unable to accept the thesis that nothing can be done to alleviate the financial burden until the consent of the Soviet Government has been obtained."

Sept. 2.—The President's speech to the inter-American defence conference at Petropolis. (*see Brazil.*)

Arrival in London of the Congress Select Committee on Foreign Aid. (*see Great Britain.*)

Sept. 3.—The Government sent a further Note to the U.S.S.R. describing the arrest, trial, and death sentence passed on M. Petkov as "scandalous", and added: "the Petkov case, involving the leader of the principal Opposition party, obviously vitally affects the existence of representative government in Bulgaria." They considered that, in refusing to act in this case, the Soviet Government were violating their Yalta obligations. They again called for consultations with Britain and the U.S.S.R. on the general political situation in Bulgaria.

Sept. 4.—The acting Secretary of State told the press that the deterioration of the situation in Europe and the impending exhaustion of European reserves made it apparent that a major problem would arise sooner rather than later. Action would have to be taken before the Marshall plan could go into effect. He gave two reasons why European economic problems had come to a head sooner than had been estimated: (1) the British financial crisis had been contagious and the moratorium on convertibility had upset the plans of other countries; and (2) many countries, owing to what might be called acts of God—the severe winter and now the drought—had had to concentrate on the production of goods for immediate consumption rather than on goods for export.

Note from the U.S.S.R. on Korea. (*see U.S.S.R.*)

Sept. 5.—The Census Bureau reported that exports in July were at the rate of \$1,151 million which was a reduction of 7 per cent on the June figure and 19 per cent on the post-war peak figure for May.

Sept. 6.—Mr. Nitze, acting director of the State Department Office of International Trade Policy, declared in a broadcast that "many European countries, including France and Italy, are hanging on the ropes". The U.S.A. could not afford not to do all it could for Europe. He went on "From the moral point of view we cannot allow people to starve or let countries sink into anarchy because they have not enough dollars to pay for reconstruction materials. From the economic point of view it is not good business to allow enormous production plant to go to ruin simply for want of recapitalisation. From the political point of view we cannot allow dictatorship of the Right or the Left to sweep the world for want of the help which we may be in a position to give. On all counts it would be far more expensive in the end for us to withhold help than to give it."

Sept. 7.—The *New York Herald Tribune* published extracts from a confidential report, stated to have been prepared by the State Department for the Congressional committees visiting Europe. It stated that at least 14 European countries must have economic aid if they were to recover from the effects of the war and fight the threat of Communism. These were the Netherlands, France, Portugal, Germany, Austria, Italy, Greece, Turkey, Denmark, Sweden, Finland, Czechoslovakia, Poland, and Britain. The report continued: "Britain is no longer an equal member of the Big Three, and her main problem in the reduction of her foreign commitments is to make such reductions in an orderly fashion and so that the relative power of the U.S.S.R. will not be

augmented. Unless the grave financial crisis which now confronts the United Kingdom is soon remedied . . . it will jeopardise Britain's ability to co-operate in the foreign economic objectives of this Government."

Five other countries, Eire, Luxembourg, Switzerland, Norway, and Belgium were expected to get along without outside help, though doubts were expressed whether the striking recovery made by Belgium could be continued in the face of labour shortage, obsolete capital equipment, and poor coal production. Western Europe was at the cross-roads. France, the key country, was in danger from a powerful Communist Party. There was little hope for a free and democratic Germany now that eastern Germany was "well on its way to being Sovietized".

U.S.S.R. *Aug. 26.* The Government, in reply to the proposal of the British Government for consultations in order to have the death sentence on M. Petkov reviewed, rejected the suggestion on the ground that the matter was an internal Bulgarian concern.

Aug. 28.—The Government sent a Note to Persia, stating that the Persian Government had violated the Soviet-Persian agreement for setting up a Soviet-Persian Oil Company. The Note said that Persia was "returning to a policy of hostility and discrimination" against the U.S.S.R.

Aug. 29.—Note from the U.S.A. on Korea. (*see U.S.A.*)

The Government ratified the peace treaties with Italy, Rumania, Hungary, Bulgaria, and Finland.

The Government, in reply to the U.S. invitation of Aug. 13 to take part in an eleven-Power conference to prepare the peace treaty with Japan, stated that the peace settlement has first to be considered by the Council of Foreign Ministers.

The Government concluded an agreement with Poland for the delivery to that country of 300,000 tons of grain.

Sept. 1.—Notes from U.S.A. on the level of German industry. (*see U.S.A.*)

Sept. 3.—Further Notes from Britain and the U.S.A. on the death sentence passed on M. Petkov. (*see Britain and the U.S.A.*)

Sept. 4.—The Government sent a Note in reply to the U.S. Note on Korea, and rejected the proposal for a conference between Britain, China, the U.S.A., and the U.S.S.R. to discuss the steps to be taken to achieve Korean independence. The Note stated: "If the U.S. delegation had displayed due desire to render assistance in forming a truly democratic government in Korea, the work of the joint commission would have been more effective, the task with which it had been charged could have been accomplished, and there would have been no stagnation in the work of the joint commission." The Soviet plan for a provisional All-Korean People's Assembly of "representatives of democratic parties and public organisations"—which had been rejected by the U.S. delegation—was possible only "on the basis of the free and unhindered activity of the democratic parties and organisations". But in Southern Korea, under U.S. control, democratic representatives were subject to arrests and other reprisals. The Note

concluded: "The Soviet Government sees no possibility of accepting the proposals advanced in the U.S. Note. They cannot but entail further separation in Korea, since they provide for the creation of separate provincial legislature assemblies in Southern and Northern Korea."

Sept. 5.—Note from Britain on the level of German industry. (*see Great Britain.*)

Sept. 6.—The Government sent a Note to Britain in reply to questions submitted to them by the British Government on the work of the Atomic Energy Commission. The Government reiterated their view that the foremost task of the commission was to draw up a convention prohibiting atomic weapons and afterwards to frame another convention establishing machinery for control and inspection to ensure the implementation of the first. On the questions (1) whether their June proposals were to be interpreted as saying that all measures for the prevention and suppression of violations of the convention would be subject to the Security Council veto; and (2) whether they agreed that at least minor sanctions might be decided on by a majority vote, either in the commission itself or in the Security Council, the Government replied that decisions on all sanctions could only be taken by the Security Council.

On the matter of the functions, procedure, and structure of an international control commission, the Government considered that the inspectorate should be answerable only to the control commission. The control commission's functions should be limited to inspection and they could not agree to allowing the commission to exercise the functions of supervision, management, and licensing over the dangerous facilities for the production of atomic energy. The Government declared that, while rules for the "technical exploitation" of atomic energy were to be laid down in the convention and were to be compulsory, recommendations by the control commission concerning their implementation were, by contrast, not to have a binding effect. Should experience show the rules to be inadequate for effective international control, the Government proposed modifying the convention.

THE REPORT OF THE U.N. SPECIAL COMMITTEE ON PALESTINE

The report of the Committee was signed in Geneva on August 31 and submitted to the General Assembly. The report was officially summarised as follows:—

RECOMMENDATIONS

Apart from specific plans, such as the constitution of the future Government and territorial provisions, matters on which a majority and a minority proposal are submitted, the Committee forwards to the General Assembly the following 11 unanimous recommendations:—

1. The mandate to terminate at the earliest possible date.

2. The independence of Palestine to be achieved at the earliest possible date.

3. The transition period to be as short as possible consistent with the conditions essential to independence.

4. During the transition period the authority entrusted with the administering of Palestine and preparing it for independence shall be responsible to the United Nations.

5. With regard to religious interests and the holy places: (a) In whatever solution may be adopted the sacred character of the holy places shall be preserved and access to the holy places shall be ensured in accordance with existing rights. (b) The present rights of the several religious communities shall not be impaired or denied. (c) An adequate system for impartial settlement of religious disputes shall be devised. Special stipulations regarding these matters shall be inserted in the constitution or conditions of any Palestinian State which may be devised.

6. The General Assembly shall undertake immediately the initiation and execution of an international arrangement whereby the problems of distressed European Jews, of whom approximately 250,000 are in assembly centres, will be dealt with as a matter of extreme urgency for alleviation of their plight and of the Palestinian problem.

7. It shall be a prior condition to the granting of independence that the political structure of the new State or States shall be basically democratic — i.e., representative in character. The constitution shall contain safeguards to protect the rights and interests of minorities.

8. A prior question of independence shall also be the interpolation into the constitution of the basic principles of the Charter of the United Nations.

9. It shall be accepted as a cardinal principle that the preservation of the economic unity of Palestine is indispensable to the life and development of the country and its people.

10. A State whose nationals have in the past enjoyed in Palestine the privileges and immunities of foreigners, including consular jurisdiction by capitulation, shall be invited by the United Nations to renounce any rights pertaining to them in the re-establishment of such privileges and immunities in an independent Palestine.

11. The General Assembly shall call on the peoples of Palestine to exert every effort to bring to an early end the acts of violence which have far too long beset the country.

The Committee agree with two dissenting voices to a twelfth recommendation as follows: In the appraisal of the Palestine question it should be accepted as incontrovertible that any solution for Palestine cannot be considered as a solution of the Jewish problem in general.

THE MAJORITY PLAN

According to the plan of the majority (the representatives of Canada, Czechoslovakia, Guatemala, Netherlands, Peru, Sweden, and Uruguay) Palestine shall be constituted into an Arab State and a Jewish State and the city of Jerusalem.

The Arab and Jewish States shall become independent after a transitional period of two years beginning on Sept. 1, 1947. Before, however, their independence can be recognized they must adopt a constitution, make to the United Nations a declaration containing certain guarantees, and sign a treaty by which a system of economic collaboration is established and the economic union of Palestine is created. A summary of its essential features follows:—

A. During the transition period the United Kingdom shall carry on the administration of Palestine under the auspices of the United Nations. If so desired, the administration will be carried on with the assistance of one or more of the United Nations. The United Kingdom shall during the transition period take such preparatory steps as may be necessary for the execution of the scheme recommended and shall carry out the following measures:—

(i) Admit into the proposed Jewish State 150,000 Jewish immigrants at a uniform monthly rate, 30,000 of them on humanitarian grounds. Should the transitional period continue for more than two years Jewish immigration shall be allowed at the rate of 60,000 a year. The Jewish Agency shall be responsible for the selection and care of the Jewish immigrants and for the organising of Jewish immigration during the transitional period.

(ii) The restrictions introduced under the authority of the Palestine (Amendment) Order in Council of May 25, 1939, will not apply to the transfer of land within the borders of the proposed State.

B. Constitutional Assemblies shall be elected by the populations of the areas which are to comprise the Arab and Jewish States respectively.

C. The Constituent Assemblies shall draw up the Constitutions of the States. The Constitution shall provide for the establishment in each State of a legislative body elected by universal suffrage and by secret ballot on the basis of proportional representation and an executive body responsible to the Legislature.

D. The Constitutional Assembly in each State shall appoint a provisional government empowered to make declarations and sign the treaty of economic union. On making a declaration and signing the treaty of economic union by either State, its independence as a sovereign State shall be recognised. If only one State fulfils these conditions the General Assembly of the United Nations shall take such action as it may deem proper. Pending such action the régime of economic union shall apply.

The declaration shall contain provisions for the protection of the holy places and religious buildings and sites and the religious and minority rights. There shall be no discrimination on grounds of race, religion, or language.

A treaty shall be entered into between the two States which shall contain certain provisions to establish the economic unity of Palestine and provide for other matters of common interest. The objectives of the economic union of Palestine shall be a Customs union, common currency, operation in the common interest of railways, inter-State

highways, postal, telephone, and telegraph services, and the ports of Haifa and Jaffa.

It shall also promote joint economic development, especially in respect of irrigation, land registration, and soil conservation. A joint economic board shall be established to consist of three representatives each of the two States and three foreign members appointed by the Economic and Social Council of the United Nations. The functions of the joint economic board shall be to organise and administer the objectives of the economic union.

The city of Jerusalem shall be placed after the transitional period under the international trusteeship system by means of a trusteeship agreement which shall designate the Union Nations as the administrative authority. The city of Jerusalem shall include within its borders the present municipality of Jerusalem, plus the surrounding villages and towns, the most eastern of which is Abu Dis, the most southern Bethlehem, the most western Ein Karim, and the most northern Shu'fat. The city of Jerusalem shall be demilitarised.

The governor of the city of Jerusalem shall be appointed by the Trusteeship Council of the United Nations. He will be neither Arab nor Jew, nor a citizen of the Palestine State, nor at the time of his appointment a resident in the city of Jerusalem.

The protection of the holy places, religious buildings and sites in the city of Jerusalem shall be entrusted to a special police force, the members of which shall be recruited outside Palestine and shall be neither Arab nor Jewish. The city of Jerusalem shall be included in the economic union of Palestine.

The proposed Arab State will include western Galilee, the hill country of Samaria and Judea, with the exclusion of the city of Jerusalem, and the coastal plain from Isdud to the Egyptian frontier.

The proposed Jewish State will include eastern Galilee, the Esdraelon plain, most of the coastal plain, and the whole of the Beersheba sub-district, which includes the Negeb.

THE MINORITY PLAN

Three members (the representatives of India, Iran, and Yugoslavia) proposed an independent Federal State. The major provisions of that plan are briefly summarised as follows:—

Constitution and transitional period. An independent Federal State of Palestine shall be created following a transitional period not exceeding three years, during which responsibility for administering Palestine and preparing it for independence shall be entrusted to an authority to be decided by the General Assembly.

The independent Federal State shall comprise an Arab State and a Jewish State. Jerusalem shall be its capital.

During the transitional period a Constituent Assembly shall be elected by popular vote and convened by the administering authority. It shall draw up the Constitution of the Federal State.

Independence shall be declared by the General Assembly once a Constitution has been adopted by the Constitutional Assembly.

The Federal State shall comprise a Federal Government and Governments of Arab and Jewish States respectively.

Full authority shall be invested in the Federal Government with regard to national defence, foreign relations, immigration, currency, taxation for Federal purposes, foreign and inter-State waterways, transport and communications, copyright and patents.

The Arab and Jewish States shall enjoy full powers of local self-government.

The Constitution shall forbid any discriminatory Federal or State legislation against population groups or against either of the States and shall guarantee equal rights for all minorities.

There shall be a single Palestine nationality and citizenship.

In addition to the guarantees contained in the Constitution regarding the protection of holy places there shall be set up a permanent international body for the supervision and protection of the holy places, to be composed of three representatives designated by the United Nations and one representative each of the recognized faiths having an interest in the matter, as may be determined by the United Nations.

For a period of three years from the beginning of the transitional period Jewish immigration shall be permitted into the Jewish State in such numbers as not to exceed the absorptive capacity and having due regard for the rights of the existing population within that State and their anticipated natural rate of increase. An international commission composed of three Arabs, three Jews, and three United Nations representatives shall be appointed to estimate the absorptive capacity of the Jewish State. The commission shall cease to exist at the end of the three-year period mentioned above.

The Arab area of the proposed Federal State includes most of the interior of the country, except for eastern Galilee and a large area of the Beersheba sub-district which falls within the boundaries of the Jewish area.

The Arabs are allotted the coastal plain from Jaffa south to the Egyptian frontier and the western portion of the Beersheba sub-district, including Beersheba town, Asluj and Auja, and a strip along the whole length of the Egyptian frontier to the Gulf of Aqaba.

When the two schemes, the majority and minority, were voted on, one member of the committee, the representative of Australia, abstained in both cases.

THE SECURITY COUNCIL

Aug. 25.—In further discussions on the Indonesian dispute, the Council adopted by 7 votes to none, Poland, Colombia, Great Britain, and the U.S.S.R. abstaining, a joint Chinese and Australian proposal which noted "with satisfaction the statement by the Netherlands Government issued on Aug. 11, in which they affirm their intention to organise a sovereign, democratic United States of Indonesia, in accordance with the purpose of the Linggadjati agreement", and proposed

that the Consuls in Batavia of the States represented on the Council should act as a body of observers of the cease-fire order in Indonesia and investigate conditions in the military occupied areas there. Dr. Sjahrir, for Indonesia, expressed "a feeling of disquiet" about this plan, declaring that most of the Consuls had looked at the situation in the country through Dutch eyes and would "naturally be considered prejudiced observers". A Soviet amendment to the proposal suggesting the substitution of a commission of all the 11 Council members for the Consuls was vetoed by France. Two proposals for arbitration, one Polish and the other Australian, were rejected. A U.S. proposal that the Council tender its good offices to the Dutch and Indonesians for a peaceful settlement of their dispute was adopted by 8 votes, the U.S.S.R., Poland, and Syria abstaining. In this proposal, the Council offered, "if the parties so requested", to appoint a committee of 3 of its members, each party choosing one and the third party being selected by these two.

At the working committee of the Council's commission on conventional armaments, M. Gromyko stated that the U.S.S.R. refused to consider any proposals for gathering information about troops or armaments which did not include "weapons of mass destruction".

Aug. 26.—The Council considered the Belgian proposal to seek an advisory opinion from the International Court of Justice on the Council's competence in the Indonesian dispute. The Indian delegate said the Council's actions hitherto represented a victory for the aggressor Government and colony owners generally, which would be reflected in an embitterment of racial and continental relations. The French delegate considered the Council had gone as far as it could to promote a fair settlement without prejudicing the difficult question of its jurisdiction under the Charter. He thought subsequent debates would be less embarrassing if the Council had an opinion from an impartial court of law. The Polish delegate declared the Council's competence was political, not legal. The Chinese delegate considered that the Court's ruling might have a cramping effect on the Council's activities, and the Australian delegate thought it would create an impracticable precedent. The proposal was finally rejected, Britain, the U.S.A., France, and Belgium voting in favour, Poland voting against, and all other members abstaining.

The Council then adopted by 10 votes to none, Britain abstaining, a resolution enjoining on the Netherlands and the Indonesian Republic strict observance of the cease-fire order of August 1. The Dutch delegate observed that though his Government had no objection to the resolution, it would be meaningless unless murder and arson by Republican forces and bands, to which they were daily incited by the Republican Government, were assumed to be covered by the resolution. The Indonesian delegate said his Government would accept the resolutions adopted by the Council the previous day. They would give every facility to the Consular commission, and hoped that the assistance of the committee of 3 members of the Council to help in a settlement of the dispute would lead to the arbitration for which they had asked.

When the Council considered the Egyptian case, Faris el Khoury (Syria) supported Egypt's demand for the withdrawal of British troops and argued that the complaint that the situation endangered peace and security must be taken seriously. He maintained that Egypt had a right of self-defence under Article 51 of the Charter, as the foreign troops were on her soil against her will. The Charter constituted a collective security arrangement that "automatically discharged" Britain of her sole responsibility and monopoly of defending the Suez Canal. The Egyptian Army had been strengthened since 1936, and in any event U.N.O. was sufficient guarantee for international peace. He also said the treaty could not be regarded as freely entered into by Egypt. If the troops were withdrawn negotiations on other matters could hopefully be begun. A breach of the peace, considering the situation in Palestine, would not be confined to Egypt.

The Brazilian delegate said he accepted the amendments to his proposals, but thought there might be some disadvantage in including in a general resolution the British proposal to submit to the International Court the question of the validity of the treaty. As to the troops, a summary decision to order them to be withdrawn would be "fragmentary, unilateral and fraught with danger of error". Only through the traditional means of settlement could this political problem, which had judicial aspects, be solved.

The Australian delegate said it would be wrong for the Council to be an instrument by which any State could divest itself of international obligations because the provisions were onerous. When the negotiations broke down they were near to success, and he supported the Brazilian proposal.

Nokrashy Pasha, referring to proposals that negotiations on the Sudan should include consultation with the Sudanese, said Egypt wished to work out the Sudan's future "in consultation not with the British nor with the Sudanese while they are hampered by the British occupation, but with the Sudanese acting of their own free will". Britain had no place in the matter.

Aug. 27.—The Council dealt with a recommendation made by the Assembly in December, 1946, that it should adopt practices and procedures for restricting the use of the veto. The U.S. delegate suggested they should ask their committee of experts what could be done about the Assembly's resolution, in which event the U.S.A. would put forward some proposals. The chairman suggested that the Council might recommend to the Assembly the revision of Article 27 in such a way as to limit and specify the questions to which the rule of unanimity would apply. M. Gromyko said that revision of the Charter, attempted by some "hotheads" at the last Assembly was out of the question. If the Council were interested in preserving the United Nations and strengthening international co-operation within its framework, they would avoid at all costs tampering with the veto. The U.S.S.R. had opposed the Assembly's resolution at the time and still opposed it as neither necessary nor useful.

The U.S. delegate said his country was seeking for ways within the

Charter to make the Council's work more effective and more consistent with the purposes of its authors than had been apparent in the past year. He recalled that the authors, including the U.S.S.R., had promised that the veto would never be used lightly or for frivolous purposes.

The U.S. proposal to send the Assembly's resolution to the committee of experts was adopted by 7 votes to none, the U.S.S.R., Poland, Colombia, and Australia abstaining. The Council also adopted by 10 votes to 1, Australia abstaining, a report by its committee of experts recommending minor modifications in its rules of procedure concerning the admission of new members.

The U.S. proposals, made public later, suggested defining in the Council's rules of procedure questions to be treated as procedural and, therefore, not requiring for their decision the concurring votes of 5 permanent members. They also suggested making a procedural rule that abstention by a permanent member did not veto a decision for which 7 other members of the Council had voted.

Aug. 28.—The Brazilian resolution on Egypt received 6 votes, with 1 (Poland) against it. Russia, Syria, and Colombia abstained (7 votes were required for its adoption). The Council then considered a Colombian resolution calling on both Governments to negotiate for the completion of the evacuation of all the British forces, mutual assistance being provided for the safety of navigation of the Suez Canal in case of war or threat of war and for the termination of the joint administration of the Sudan.

Egypt objected to every clause of this motion and refused to have the evacuation made conditional on the conclusion of a mutual assistance pact that she did not want in any circumstances. The defence of the Canal was exclusively an Egyptian affair.

The Colombian delegate explained that his resolution did not mean all it seemed to say, especially about mutual assistance.

M. Gromyko asked for 24 hours' adjournment to consider the matter, and this was adopted.

Aug. 29.—In further discussion of the Colombian resolution, M. Gromyko said that it was an attempt to impose on Egypt certain "enslaving conditions" and was a "crude violation of the principle of sovereignty". The U.S. delegate said he considered that the resolution should be acceptable with the deletion of the mutual assistance clause. The British delegate opposed a Colombian suggestion that a separate vote be taken on the parts of the resolution dealing with evacuation and mutual defence of the Suez Canal. This must either be accepted as a whole or rejected; if the first part were accepted and the second part suppressed, it would be totally unsatisfactory to his Government. The Brazilian proposal for the resumption of negotiations was more acceptable to Britain as it was in general terms. The Colombian resolution was voted on and lost, no clause receiving more than 5 votes. The Council decided that the dispute should remain on the agenda.

UNITED NATIONS MEETINGS

FOOD AND AGRICULTURAL ORGANISATION

Aug. 26.—The Director-General, in his report to the conference meeting in Geneva, said that the shortage of food was continual, and that next winter millions in Europe would be worse fed than during the war. There was little hope of substantial improvement in Asia this year. The state of partial famine was affecting nearly half the population of the world, and was continuing so long that there was a danger of the conscience of the world becoming blunted and of efforts of Governments and organisations to slacken off. Another danger was that, owing to the lack of foreign credits, countries which formerly were large importers of food tended to become self-supporting. This might later cause the appearance of unmarketable surpluses, leading to the same chaotic conditions which contributed to the crisis of 1929. A third danger was that food production, to keep pace with the increasing population, would need to be doubled within the next 25 years or the world would be faced with shortages which could not be met. The F.A.O. had warned all Governments of these dangers.

The work the organisation had to cover was so vast that it had been thought desirable to enlist the help of other international organisations. Over 97 per cent of the promised contributions had been received in dollars despite the dollar crisis, and a reserve fund to form a working capital of \$1,500,000 had been built up in the first years.

The proposed world Food Council must do much more than collect and spread information: it must have machinery through which action could be taken. The world's greatest need was not so much for food as for the means to produce it and to produce more consumer goods to offer in exchange for food products.

The Chairman of the Preparatory Commission said that agriculture was so closely linked with the general economy of every country that it could not be dealt with in isolation. Progress in agriculture called for parallel progress in industry and there must be co-operation.

Austria, Finland, and Siam were accepted as members, and a proposal that the application of Spain "should not now be considered" was adopted. El Salvador became a full member State.

Aug. 27.—The British delegate said that because of her financial difficulties, which were shared by most of the countries represented at the conference, Britain had been forced to take action which must have repercussions on other countries trading with her. This was a matter of regret to the Government because it put a check on some of their ambitions regarding multilateral trade, but they had no alternative, though they did not intend to allow temporary difficulties to shake their confidence in international organisation.

Pakistan was elected a full member of the organisation.

Aug. 28.—The U.S. delegate said that U.S. producers were troubled by market uncertainties, and wanted to be assured that their bountiful production would not be requited with unreasonably low prices; without this assurance they could not continue full-scale and expanded

production. He thought the solution to the problem lay in inter-governmental commodity agreements. He pointed out that high food output in the U.S.A. was due in part to the abandonment of necessary crop rotation. The soil would have to be restored and they must cease driving it so hard.

Aug. 30.—The Secretary-General of the International Emergency Food Council told the conference that it was estimated that the Canadian corn crop would be 2 million tons less than in 1946. There was a big decline in the U.S. maize crop and altogether the world cereal production in 1947 would be at least 25 million tons down. The total stated requirements received by his Council were over 50 million tons while the total amount of cereals available was 29 million tons. Distribution now seemed even less satisfactory than in 1946. Unless extraordinary and vigorous action was taken by Governments, bread rations would have to be sharply cut.

Sept. 5.—The conference considered the draft report of the proposals outlining the future technical activities of the organisation. This recommended that the technical side of the organisation be given the highest possible share of the total budget. High priority should be given to the irrigation needs of various countries, especially those which were less developed industrially. The organisation should also expand its work in the domain of fertilisers. An international agreement for the co-ordination of existing legislation on plant health was recommended, together with the standardisation of insecticide methods. Recommendations were also made with regard to the proper use of grasslands. The report considered that nutrition should continue to occupy a basic position in the programme of the F.A.O., and made recommendations with regard to food composition and school feeding. It considered that nutrition should properly be studied on a regional basis and suggested the holding of nutrition conferences in the Far East and in South America.

ATOMIC ENERGY COMMISSION

Aug. 29.—The Commission discussed the proposal to include in their second report to the Security Council a series of papers worked out by groups of members which gave a fairly detailed picture of the functions and powers of atomic energy and of international control of the authority entrusted with the ownership, management, and supervision of the licensing of ores, nuclear fuels, and all the dangerous facilities for production. M. Gromyko opposed the suggestion on the ground that the scheme outlined in the papers infringed on the sovereign rights of States, and that, in general, the papers had inherited all the political defects of their parent, the original U.S. plan.

Sept. 6.—Note from the U.S.S.R. to Britain on the work of the Atomic Energy Commission. (*see U.S.S.R.*)

UNITED NATIONS ORGANISATIONS

MILITARY STAFF COMMITTEE

Sept. 3.—The report of the committee on its work in August disclosed that the U.S.S.R. had submitted an estimate on the size of the land, sea, and air forces to be placed at the disposal of the Security Council. It was understood that the estimate conformed approximately with the British estimate in regard to land and air forces, but proposed a smaller naval force.

INTERNATIONAL CONFERENCES

Aug. 25.—At the closing session of the International Trade Conference at Geneva on August 23, Mr. Wilson, the British Secretary for Overseas Trade, explained that owing to war devastation, crop failures, and other difficulties, the economic situation was such that Britain would be forced to have even closer economic co-operation with the other countries of the Commonwealth. Methods might have to be used which might appear to be opposed to the principles of the draft charter, and they would certainly have to assist their position by agreements with particular countries. In these methods the guiding principles must be that they did not establish permanently artificial channels of trade which would in the long run defeat the principles of the charter.

As a country bearing a great responsibility for large and important colonial territories, Britain sympathised with the aspirations of those who had made the position of the undeveloped countries a key position in the charter discussions.

The U.S. delegate declared the firm intention of his Government regarding the charter, and said the machinery for negotiating a reduction of tariffs and an elimination of preferences had been set in motion, and it was a disappointment that its wheels were not turning as rapidly as had been hoped. The task could be completed in 5 or 6 weeks, but if more time was required the U.S.A. was prepared to give it. If the nations did not act now they would be condemned to persistent restriction and discrimination that would mean antagonism abroad and misery at home.

Aug. 26.—The British Commonwealth conference met in Canberra to exchange views on the Japanese peace treaty. General agreement was reached on three main points: (1) that every effort should be made to complete the treaty at an early date, and that it should be signed by the middle of 1948; (2) that the veto should not apply to the voting, and that the U.S. proposal for a two-thirds majority was acceptable; and (3) that a preliminary conference of the 11 countries represented on the Far Eastern Commission should be held in the U.S.A. within a month, if practicable, and that it should be held on a Ministerial level to establish the principles of the treaty.

Aug. 27.—The conference endorsed the decision in the Potsdam Agreement to restrict Japanese sovereignty to the 4 main islands of

Honshu, Hokkaido, Kyushu, and Shikoku. There was general agreement that the territorial provisions of the Yalta Agreement should be accepted as part of the settlement.

Conference of the Foreign Ministers of Sweden, Norway, Iceland, and Denmark. (*see Denmark*).

Aug. 28.—The British Commonwealth conference expressed the view that Japan should remain completely demilitarised and that all armament manufacture should be forbidden. Internal order in Japan should be maintained by a non-military police force. Detailed measures were discussed to ensure that the Japanese did not conduct research on atomic energy or develop or use it. The limitations to be imposed on the operation of Japanese commercial shipping confined to insular trade were also dealt with, and the delegates discussed at length the question of the control to be exercised over the future of civil aviation; it was felt that the manufacture of aircraft should be completely prohibited.

The conference considered the political provisions to be incorporated in the peace treaty, paying particular attention to the existing Japanese Constitution. Ways and means were considered for the continued exclusion from public office of persons removed because of their ultra-nationalistic and militaristic affiliations. The delegates noted the steps taken by the Supreme Commander and the Japanese Government to dissociate Shinto from the State and agreed that the pre-war State subsidies for the organisation should not be resumed.

Aug. 28.—The talks in London between the U.S.A., France, and Britain on the level of industry in the combined U.S.-British zones of Germany were concluded. A statement was issued which made the following points: (1) the delegations agreed that measures about to be taken should not result in priority being given to the rehabilitation of Germany over that of the democratic countries of Europe, and that German resources must contribute to general rehabilitation. (2) They recognised that the disarmament, demilitarisation, and democratisation of Germany remained indispensable to security, and that the plans envisaged for the U.S.-British zones did not prejudice such guarantees in this respect as might be established in the future. (3) In particular, the U.S. and British delegations explained that the plan for the control of the Ruhr mines which had been communicated to the French delegation did not prejudice the future status of the mines and would not constitute an obstacle to the adoption of such measures as might be judged necessary to prevent the Ruhr from again becoming an instrument of aggression, or to the adoption of such measures as might be established to assure to other countries access to its products. The French delegation took note of these explanations and reserved the position of its Government with regard to the arrangements for the control of the mines.

(4) The French delegation set forth its main reservations relating to certain figures in the U.S.-British level of industry plan, particularly as regards machine tools and basic chemical products and the capacities retained in certain other industries. The other two delegations pointed

out that the capacities had been carefully estimated by normal methods, and that the fixing of the capacities enabled a programme to be established for the identification of plants and equipment for removal as reparations as soon as practicable. (5) The three delegations agreed that the measures about to be taken by the U.S.-British Commanders did not prejudice quadripartite decisions of the Council of Foreign Ministers in respect of the level of industry for Germany as a whole or such industrial limitations as might be imposed by the peace settlement.

(6) The French delegation emphasised the importance their Government attached to having assurances relating to the progressive character of German rehabilitation embodied in a concrete agreement with special reference to the distribution of Ruhr coal and coke. They asked for an adjustment of the present arrangements to permit of a greater proportion of coke in the existing export allocations and that the sliding scale agreement for Ruhr coal and coke exports should be reviewed with a view to extending it beyond the existing figures. The other two delegations agreed that the French proposals should be discussed forthwith in Berlin provided that the amount of coal available for their zones under the present scale would not be diminished. (7) The U.S. and British delegations stated the reasons why they could not postpone the publication of the plan for the level of industry in their zones until the conclusion of the discussions proposed above. The plan would be published on Aug. 29. (8) The French delegation took note of this statement and gave reasons why, for its part, it could not withdraw its objections pending a satisfactory outcome of the proposed discussions.

Aug. 29.—The Canberra conference considered the economic aspects of the Japanese peace settlement and agreed that any restrictions imposed should be of a kind capable of clear definition and ready enforcement. The delegates considered that within the scope of considerations of security, the treaty should be designed to assist the removal of causes of low-living standards and economic instability, and that provision should be made for acceptance by the Japanese Government of minimum international standards of commercial conduct. On the question of reparations, Britain and Australia supported the view that invaded and devastated countries and also bombed areas had first claim. They urged that consideration be given to the right of individual victims of Japanese barbarity to some indemnification. The conference agreed that reparations should be limited to the capacity of the present and future generations of Japanese to pay without being enslaved.

Sept. 1.—The conference agreed to provisions for a new Japan, to be controlled by her own Government and subject to supervision and inspection by the Allied Control Council sitting continuously in Japan, the supervisory period to continue until they were convinced that the civil Government was willing and able to implement the treaty terms. There should be as little interference as possible with the civil Government.

The conference was in favour of granting loans to assist in Japanese

recovery and that such loans be based on the gold and silver holdings of Japan. If interference by the supervisory power became necessary, it should consist first of economic sanctions, including the control of imports and essential materials, and then military sanctions, which might take the form of a small allied military police force or of external military control from the adjacent islands controlled by the U.S.A.

It was emphasised that the attitude of the members of the British Commonwealth towards the Soviet-Japanese settlement was most friendly, and there was every hope that the U.S.S.R. would play its rôle in the treaty-making.

Sept. 2.—Dr. Evatt, the Australian Minister for External Affairs, speaking at the closing session of the conference, said that Japan's future was not an isolated problem and must be approached in relation to neighbouring states and to the world as a whole. The solution could lie in comprehensive international effort to raise the standards of welfare throughout southern and eastern Asia and the Pacific. He concluded: "Our efforts to establish better international order will be held back if we do not speedily make peace and conclude settlements which will form the basis for world recovery."

THE COMMITTEE ON EUROPEAN ECONOMIC CO-OPERATION

Sept. 2.—The co-operation committee and the executive committee accepted the report of the financial committee which gave suggestions for the improvement of internal finance in individual countries and the removal of restrictions on currency exchanges within Europe. It also contained a declaration of the intention of all European countries present to achieve full convertibility of their currencies when certain "essential conditions" had been fulfilled.

The committees also accepted the draft report of the sub-committee on free trade and the easing of Customs barriers. This recommended the formation of regional unions with gradual elimination of barriers. It was pointed out that there would be special difficulties in making these adjustments between highly industrialised countries, and in the incorporation in a European trading union of countries with special commercial links either with a definite group of countries outside Europe or with territories of a different level of economic development. The report also emphasised that the constitution of a European free trade zone would not suffice to solve difficulties in the balance of payments unless countries outside the zone, from which it imported, were willing to increase considerably their purchases from the zone. A space was left to be filled in, if all agreed, with a joint declaration by Governments on the creation and the terms of reference of a study group for a Customs union. In conclusion, the report condemned import restrictions, except as a post-war measure to preserve the balance of payments.

Sept. 3.—The report of the committee on fuel and power was

published. It contemplated an increase over the pre-war production of coal and electricity within the next 4 years. It was hoped that coal output, which was 550 million tons in 1938 and fell to 309 million tons in 1945, would reach 440 million tons in 1947 and 584 million tons in 1951. The increase would be provided by Britain and Germany, the biggest producers. In 1947 and 1951, respectively, Britain was to produce 200 million and 251 million tons, the Saar 13 million and 17 million tons, and the Ruhr 86 million and 121 million tons. If a growing proportion of the annual deficits could be met by imports from other European countries, such as Poland, imports from the U.S.A. should drop from 40 million tons in 1948 to 6 million in 1951.

Programmes of electricity production provided for an increase from 43 million kilowatts in 1947 to 65 million kilowatts in 1951. It was hoped to add to this by a plan of development and use of the hydro-electric capacity of the Alpine *massif* for which equipment and raw material would need to be imported from the U.S.A. and elsewhere.

For oil, since the production of the countries taking part was negligible, the main aim was to increase the refining capacity of Europe and the proportion of heavy to light products imported. In 1938 240 million barrels were imported, of which 39 million were crude oil and the rest refined. This proportion would not be changed but whereas for 1947 crude oil would represent 26 per cent of the total imports, in 1951 it would be 42 per cent. The nature of the refined products would be altered to provide more fuel oil and heavy products, and the increase in refining capacity would necessitate new installations and the import of special equipment.

Sept. 4.—The report of the maritime transport technical committee was published. The main characteristics of the shipping position of the countries concerned were: (1) the immense losses during the war, 22 million gross tons, representing 62 per cent of their 1938 fleets; and (2) the large volume of services of shipping which would be needed in the next few years to transport the abnormal imports of food and raw materials. The countries had already bought \$500 million worth from overseas, and proposed to buy a further \$300 million worth, with a capacity of 3 million tons. Their total shipping requirements in millions of dead-weight tons were estimated for dry cargo and tankers as follows:—1948: 50.5 and 15.1; 1949: 50.0 and 16.7; 1950: 49.5 and 18.4; 1951: 49.5 and 19.7. It was estimated that demands on services of other flag tonnage, principally the U.S.A., would decrease sharply, from 10.3 millions of dead-weight tons in 1948 to 2.2 in 1951, although tanker requirements were expected to increase.

Sept. 5.—The food and agriculture committee published their report. They estimated that food consumption a head in the participating countries and western Germany in 1951 would still be below the standards of 1934-38, even though a considerable effort would have to be made to increase production, and even though the levels of production of the five principal categories of food (other than meat) would be equal or greater than those of the war years. The reasons for the deficit were: (1) difficulty in obtaining certain commodities from overseas; and

(2) an increase in population, estimated at 11 per cent, from 249 million in 1934-38 to an estimated 278 million in 1951. (The present population was 270 million.)

The proposed production targets in millions of metric tons were given as:—Wheat and rye: 1948, 21.4; 1951, 34.0. All cereals: 1948, 48.9; 1951, 65.8. Oils and fats: 1948, 2.2; 1951, 2.9. Sugar: 1948, 3.4; 1951, 3.9. Meat: 1948, 6.0; 1951, 8.1. Milk: 1948, 57.0; 1951, 73.4. If production at this rate were achieved only the meat figure would be below those of the 1934-38 period.

Development schemes for vegetable fats and oils in British East Africa were expected to raise production of shelled ground nuts from 80,000 tons in 1949 to about 400,000 in 1951. Similar schemes in French Equatorial and West Africa aimed at a production of 50,000 tons of ground nut oil for 1951.

For fertilizers the principal deficiency was nitrates. It was planned to increase production from 960,000 tons of nitrogen production in 1946-47 to 2 million in 1950-51, production of phosphates from North Africa from 1,416,000 tons to 2,617,000 tons, and potash from 847,000 to 1,604,000 tons over the same period. Import needs of feeding stuffs would continue to be very considerable. It was estimated that 12,000 heavy tractors would be needed a year, 14,000 light tractors for the first year, and 1,400,000 tons of other machinery for the four years.

MR. BEVIN'S SPEECH AT SOUTHPORT

MR. BEVIN, addressing the Trades Union Congress at Southport on Sept. 3, said that the position in the world had been chaotic for a long time and the economic conflicts had been almost as difficult to handle as war difficulties. The present gap in the country's balance of payments was £600 million a year, and the biggest contribution to help close this gap would be 40 million tons of coal. He went on "Our exports at the moment . . . are running at £100 million a month. Of the nation's deficit £228 million is being cleared off by reduction of imports. This means £372 million to be covered by increased exports . . . We have to [increase] . . . our exports figure, making a total of £151 million a month. Then we have to calculate, when this temporary period is over, what must be our sales abroad to give effect to the rising standard of living the younger generation is going to demand."

He insisted that the nation must win through by production. The old method of dealing with such a crisis as the nation now faced would have been to restrict purchasing abroad, call in credit, and create unemployment. Social services had made that method no longer available because the one essential of the old method was to let starvation do its worst quickly. The alternative which must supersede this was "planned production, planned direction, planned and deliberate action".

He thought there were ways of settling the dollar crisis, and went on: "My own conviction is that the U.S.A. handicapped herself and caused high taxation in her own country by her failure to redistribute the Fort Knox gold . . . There is gold which . . . is doing nothing. I am quite sure that [its redistribution] is one of the readiest ways to assist in increasing the purchasing power of the devastated areas of the world."

Speaking of European rehabilitation, he said that this was the first time in the past 400 years of British history that Britain had not been able to make some effective contribution to Europe's needs in goods, money, or coal. He welcomed the Marshall proposals because he felt that the U.S.A. intended to put behind Europe something which would help in the effort of recovery, and declared "Give me the tools of production and their full results, and I will change the foreign policy of Europe".

Mr. Bevin pointed out that 75 per cent of Britain's trade was outside Europe and therefore it was difficult to accept a Customs union in Europe as a panacea for Britain's difficulties. In the course of study of these problems arising out of the Paris Conference and the balance of payments in the world and the necessity of colonial development he personally felt that "a second study must be inaugurated, and I hope our Commonwealth, and certainly the Empire will agree to the possibility of a Customs union for the British Commonwealth and Empire. I feel these two studies must go with vigour and at the same time synchronise." He went on: "I do not think we can avoid any longer common defence and acceptance of certain common economic principles if we are to avoid constant recurring crises." There were tremendous resources within the Commonwealth which had been badly neglected and their development would bring a higher standard of life to the peoples.

He thought on the whole the United Nations was doing well. The Security Council was the most disappointing part — it had become largely a propaganda show, and was not dealing with its many problems on the facts. Vetoes were being used "absolutely stupidly". He believed that the conference of Foreign Ministers in November was "almost the last chance" of seeing whether economic unity in Germany and reconstruction in Europe could be achieved.

FORTHCOMING EVENTS

1947

- Sept. 11 Conference between representatives of the British West Indian Colonies to discuss closer association, Montego Bay, Jamaica.
- „ 12 U.N. Conference of International Non-Governmental Organisations, Lake Success.
- „ 16 U.N. General Assembly, Lake Success.
- „ 16 Conference of Foreign Ministers of the Arab States to discuss the Palestine problem, the Lebanon.
- „ — F.A.O. World Agricultural Census, (Middle East), Cairo.
- Oct. 6 Meeting of the Foreign Ministers' Deputies to discuss the German treaty, London.
- „ 7 Combined Research Conference on Some Aspects of the German Problem, convened by the Netherlands Institute of International Affairs at The Hague, to be attended by the Royal Institute of International Affairs and the corresponding Institutes of Belgium, Canada, Czechoslovakia, Denmark, France, the Netherlands, Norway, Poland, Sweden, Switzerland, the U.S.A., and the U.S.S.R.
- „ 20 I.C.A.O. Special Conference on Multilateral Aviation Agreement on Commercial Rights in International Civil Air Transport, Rio de Janeiro.
- „ 25 General Election in Malta.
- „ 27 I.L.O. Preparatory Regional Asiatic Conference, New Delhi.
- „ — Emergency Food Council, Washington.
- Nov. 1 The Council of Foreign Ministers, London.
- „ — Economic Commission for Asia and the Far East, The Philippines.
- „ 3 U.N.E.S.C.O. Second General Conference, Mexico City.
- „ 17 International Maritime Conference, Lake Success.
- „ 20 U.N. Conference on Trade and Employment, Geneva.
- „ 21 International Trade Conference, Havana.
- „ 24 U.N. Trusteeship Council, Lake Success.
- Dec. 1 Economic Commission for Europe, Geneva
- „ — Union of American Republics—Ninth Congress of American States, Bogota.
- 1948
- Feb. 15 General Election in Paraguay.
- Mar. 23 International Conference on Freedom of the Press, Geneva.
- July 12 Meeting of Economic and Social Council, Geneva.